to the desirableness of some method of securing cater uniformity in estimating the disabilities invalid pensioners and claimants. The right charged soldier or scaman to be pensio nt all, for a disability really existing, must in many cases depend upon questions properly to be letermined by the examining surgeon. The high-rat order of professional Determined by the examining surgeon. The high-est order of professional qualification is often requisite to a sound and reliable opinion on cases presented. In the designation of physicians and surgeous for the performance of these duties, it has been my aim to secure the best available aid. For the sake of uniformity, however, and for the surgeous of a processional squaretision in these of our the sake of indormaly, nowever, and for the surpose of a processional supervision in these ex-minations, as well as for the settlement of ques-ions requiring thorough education and expe-lence to modifying and an expemedicine and surgery, as they ari e adjudication of pension claims, it is c adjunctation of pension claims, it is suggested at a consulting and supervising surgeon neight oftably be provided for, whose services small rendered in this bureau. The obvious advan-ces of such an officer would, no doubt, secure otice of Congress. rgeon now in the service would probabl

The preparation of a scale of disabilities, pro-osed in my last report, to be fatrusted to a comof surgeons, would, perhaps, be omplished through the aid of an ppointed as above indicated. This still seems one an object worthy of attention, although so urge a portion of the claims to be affected there.

allowed by Congressional statute the fees fixed by the local law for like services. Beyond this, under your order of the 21st uit. Disbursing agents will not hereafter be permitted to charge any fee for filling out the necessary vouchers for pensioners. It is obvious that the small seni-annual stipend allowed to pensioners should reach them as promptly and with as little cost as possible, and it is in accordance with the spirit of our pensioners, so far as may be necessary, from the diversion or retention of any portion of the periodical sums granted them.

NAVY PENSION FUND.

The **amount of the navy pension fund invested in gold-bearing bonds of the United States under the direct compendation of the periodical wind and pensioners, so far as undorized by the provisioner of the manual circulation of the periodical wind and pensioners,

this fund, subject to use, as may be required, or to myestment, the sum of \$1,395,114,31. The annual income from the portion invested is now more than double what is required for the payment of Navy pensions of all kinds, regardless of the difference in value between coin and paper currency. While it would appear that this fund is continuly thable for all classes of Navy pensions rency. While it would appear that this fund is equitably liable for all classes of Navy pensions alike, the Act by which it is created specifies invalids of the Navy alone. Further legislative action, therefore, is necessary in order to make the fund available for the largest class of Navy

GENERAL REMARKS.

From the estimates for the fiscal year ending From the estimates for the ascal year ending June 30, 1867, heretofore submitted in a separate report, it will be seen that a sum exceeding \$15,000,000 is believed to be necessary for the payment of pensioners for that year. The appli-cations for pensions during the first quarter of the current fiscal year have exceeded in number those of any previous quarter since the commencement of the late war. The number of claims now on file, and the probable number hereafter to be filed, are such as to justify the opinion that the pension list will continue to enlarge, at a rate con-siderably exceeding the diminutions from deaths and other causes, for at least three years to come. The maximum yearly amount of pensions thus attained can hardly be less than \$18,000,000. In four or five years a material falling off from this maximum may be anticipated, in the absence of

In view of the magnitude of the interests in In view of the magnitude of the interests involved, the most complete and effective organization of this branch of the Department practicable is manifestly desirable. For this purpose not only the experience of our own Government, but also that of the older nations of Europe, may profitably be taken into account in giving symmetry and efficiency to our system. Little information on this subject from abroad, however, has been found attainable through the medium of official reports, compilations of laws, or treatises, beyond the merest outline. Personal inspection of the practical working of the European systems, and a thorough and intelligent report thereon, either through the medium of consular thereon, either through the medium of consular agents abroad or of a special commission sent out for that purpose, would seem to be essential for the attainment of the detailed information desired. The cost would be trivial compared with the benefits to be antic pated from such

with the benefits to be antic pated from such observation, properly made and reported. While there has been no diminution in the business of this office, but rather a continued increase hitherto, there is at present no demand for additional clerical service, nor is such demand anticipated before the date at which a decrease in the number of new applications will commence. It gives me pleasure to recognize the hearty co-operation and constant assiduity which have generally characterized the labors of those employed in this bureau, and to refer to the results of the past year as evidence of the skill with which these services have been rendered. All pension claims properly prepared dered. All pension claims properly prepare and substantiated have been allowed with reasonable degree of promptitude, and the busi-sess of this bureau is generally in a satisfactory sondition.

Very respectfully yours, JOS. H. BARRETT,

Report of the Controller of the Currency-

OFFICE OF THE COMPTROLLER OF THE CUREKNEY, WASHINGTON,
December 4, 1865.

Siz: I have the honor to transmit to the House
Siz: I have the honor to transmit to the House of Representatives the annual report of the Comptroller of the Currency, as required by the first section of the National Currency act.

I have the honor to be, very respectfully, your obedient servant, FREEMAN CLARKE.

There the honor to be, FREMAN CLARKE, obeddent servant, FREEMAN CLARKE, Comparative of the Currency.

Hon. Schuyler Coleax, Sheaker of the House of Representatives, Since the last annual report from this office two hundred and eighty-three new banks have been organized, and seven hundred and tulty-one organized, and seven hundred and selections, State banks converted into national associations, State banks converted into national associations, State banks converted and national associations, making the total number organized to November first sixteen hundred and one; of which six hund seventy-nine were new banks, and nine t and twenty-two were conversions from

amount of their present issues. The amount of national bank notes in actual circulation on the 1st day of October latt, was...... The amount of state bank notes in circulation at the same date, as

appears by returns to the Com-missioner of Internal Revenue, Making the bank circulation on the

lst day of October last...

The amount of legal-tender notes and fractional currency issued and outstanding on the 1st of October, 1865, was.

National bank notes in the hands of

Making the aggregate amount of legal-tender and bank notes in cirulation as authorized to be issued to and by the banks*...\$1,083,452,233

om which sum should be deducted, State bank cirula ing that will be retired about as fast as national currency is issued to convert-

notes converted

into 5-20 bonds since the 1st of October

The amount then left as the available currency of the country is. In order to ascertain the amount of actual active circulation on the 1st day of October last, there should be deducted from the last mention-

ed sum— The amount of national currency delivered to banks, and not then in circulation. \$19,525,152 National circulation not delivered to banks. 109,152,945

nount of legal-tender notes held banks, including\$74,261,847 compound - interest mpound-interest notes other than those held by banks, most-ly held as invest-ments by insur-ance and trust com-193,094,865

panies and savings banks, less, say \$10,000,000 in actual

Which will show the actual circulation to be.....

This favorable exhibit of the amount of paper in actual circulation is owing in a great degree to the accumulation of currency in the hands of the banks, in the absence of the great demands of the government for currency since the close of the

banks, in the absence of the close of government for currency since the close of war.

As an erroneous impression may prevail as to the aggregate amount of lawful money that to state, that as the Habilities stood on the first day of October the required sum was \$74,251,847 day of October last \$193,094,365 day of October la banks held at that time \$14,30,130 in color, which, deducted from \$74,261,847, leaves \$59,295,704, the sum they should have held in legal-tender notes to fulfill the requirements of the law.

It will be seen, therefore, that the sum held, in lawful money, in excess of the required reserve,

was \$170,045,896. It cannot be necessary to dilate upon the ineviored and seventy-nine were new banks, and nine hundred and twenty-two were conversions from hundred and twenty-two first days and the currency delivered to each, and including a system of redemption which shall excessive amount of irredeemable currency, if excessive

beyond precedent, and it requires only a judicious spiloton of the inactive circulation shown to be now held in reserve, and liable to be called out as increased speculations and additional enhancement of prices may demand, and the consequent reduction of the same to the amount required by the actual necessities of business, would seem to constitute one of the first step because of the first step because the special toward that sound condition of finance under which alone a permanent producing interest of the country in a position to compete successfully with other nations, prevent a drain upon our resources, which must otherwise postpone to an ind-finite period the resumption of specie payments.

Indeer the present inflation of prices the cost of inhort successities, which must otherwise postpone to on the surplus of gold, after paying interest on the production of staple commodities, whether in agriculture, mechanics, or manufactures, is such as to invite the direct competition of all other to the present inflation of prices the cost of inhort successities of production of the control of the present inflation of prices and the production of the present inflation of prices and the production of the

interest-bearing legal tender notes into 5-20 six per cent, bonds. It is believed that the slight contraction caused by such conversion would be scarcely perceptible, more especially at this time, as it is not probable that more than five per cent, of the waole issue is now in active circulation. It would be simply exchanging one security held as an investment for another.

the hands of national banks \$278,986,758. Which is several millions more than the entire paper circulation of the country on the 1st of January, 1861, or at any previous period.

In view of the urgent demand that will un-

donotedly be made for an increase of the national bank circulation, and as a gentle mode of further bank circulation, and as a gentle mode of further reducing the volume of legal-tender notes, it is suggested that the National Currency act be so amended as to allow an increase of the limit to four hundred millions of dollars, on conditions only that all the banks be required to redeem their notes in New York, Boston, or Philadelphia; and also that an issue of six per cent. 5-20 bonds be authorized to the amount that it will require to secure the additional circulation under the provisions of the act, which bonds the banks, when organized shall purchase as each may require of organized shall purchase as each may require on the Secretary of the Treasury, at such fair rate as organized shall purchase as each may require of the Secretary of the Treasury, at such fair rate as he may from time to time prescribe, but not less than their par value, and pay for the same in the United States legal-tender notes, and all notes so received shall be cancelled and destroyed. The bonds so issued would not affect the price or de-mand for other bonds, as they would be held as security for the circulation, and only offered in market in the event of the failure or closing of a

on the surplus of gold, after paying interest on bonds, ten millions, making in the aggregate, four hundred and five millions of dollars, a sum probably one hundred millions in excess of the amount that will be required under an economical administration of the government, leaving a large margin on the above estimate for reduction. The estimates, however, of the revenue derivable from the several sources indicated are not the result of loose conjecture, but each is founded upon a careful inquiry in reference to past productions and revenue under the existing law.

the like privilege is sought to be withdrawn from
the national banks by their taxation for Stete,
municipal, and local expenses. The constitutional agis which the supreme Court of the
United States has hitherto extended over the national securities, no matter by whom or for what
purpose held, is now sought to be wrested from
its hands upon the theory of State jurisdiction—a
magrant violation of the contract entered into
with the public creditors under the clearest enactments of law, and the most binding obligations
of public faith. It is conceded for the most part
by the advocates of State taxation, that the by the advocates of State taxation, that the United States stocks in the hands of individuals cannot be assessed for State and municipal cannot be assessed for State and municipal purposes. But a discrimination against the stocks held by banks is sought to be established, on the ground that a tax imposed upon the shares in a bank is not a tax upon the securities represented by those shares. That the position assumed by those who favor this hypothesis will be found, upon critical examination, to be fallacious can scarcely admit of a doubt; that the discrimination in favor of one class of creditors and against another, both having compiled with the same another, both having complied with the same conditions, is grossly unjust, must be obvious to al. That exemption from State taxation was in-tended to apply to the stock issued, no matter in whose hands it might be found, cannot be queswhose hands it might be found, cannot be questioned. No exception was made in favor of individuals; no discrimination was attempted against banks. If the shares of a bank whose capital is invested in United States stocks be taxable, to whose benefit does the exemption from taxation guaranteed to those stocks hure? Does the principle of immunity pledged by Congress become inoperative because an association has loaned to the government the money for which it holds those obligations? Surely, the exemption belongs to some person, and to whom can it be principle of the respective stockholders, interests, it was natural that its practical exemption of its provisions, but all ambiguing reference to it should be removed. All the basebould be removed. All

present taxation for revenue purposes, and one-half of one per cent on their circulation as an in-demnity to the government for the expense in-curred in furnishing the banks with circulating notes, and meeting the expenditures incidental to

meeting the expenditures required by such direct assessment on the banks as should be equitable.

There are some amendments to the National Currency act suggested by the experience of its practical workings, which, if adopted, would wast practical workings, which, if adopted would prove of great utility, the most important of which has already been alluded to—requiring banks to redeem their issues at par in either of the cities of New York, Boston or Philad-lphia, as the only certain method of securiors.

There is no real strength or safety either money nor reserve in any shound on hand, and the sooner those By the 32d section of the act it i for any debt or liability to said asso all notes or tills issued by any as

The provision is anomalous in its deficiency of the deficiency of may choose to offer, does not seem to be ed by equity or sound policy. It is en tioned whether a national bank is con redeem its circulation at all, in lawful presented by an association organized same act, as any "debt or liability" matcharged, by ils own notes or notes of othe banks, when that "debt or liability belor other association" existing under and by vi "the National Currency act." The Intention scope of the statute is evidently against a construction of its provisions, but all ambles

singly the state of the state o

HEADQUARTERS ARMIES OF THE UNITED STATES,
WASHINGTON, D. C., July 22, 186.

SIR: I have the honor to submit the follows
report of the operations of the armies of the United States from the date of my appointment to comme
the same:

As the description of the control of

Hon. JAMES HARLAN, Secretary of the Interior.